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H.471

An act relating to technical and administrative changes to Vermont’s tax laws

It is hereby enacted by the General Assembly of the State of Vermont:

* * * Annual Link to Federal Statutes * * *

Sec. 1. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect on December 31, ~~2021~~ 2022, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter and shall continue in effect as adopted until amended, repealed, or replaced by act of the General Assembly.

Sec. 2. 32 V.S.A. § 7402(8) is amended to read:

(8) “Laws of the United States” means the U.S. Internal Revenue Code of 1986, as amended through December 31, ~~2021~~ 2022. As used in this chapter, “Internal Revenue Code” has the same meaning as “laws of the United States” as defined in this subdivision. The date through which amendments to the U.S. Internal Revenue Code of 1986 are adopted under this subdivision shall continue in effect until amended, repealed, or replaced by act of the General Assembly.

1 any tax, interest, or penalty has been paid more than once, or has been
2 erroneously or illegally collected or computed, the same shall be credited by
3 the Commissioner on any taxes then due from the operator under this chapter,
4 and the balance shall be refunded to the operator or ~~his or her~~ the operator's
5 successors, administrators, executors, or assigns, together with interest at the
6 rate per annum established from time to time by the Commissioner pursuant to
7 section 3108 of this title. That interest shall be computed from the latest of
8 45 days after the date the return was filed, 45 days after the date the return was
9 due, including any extensions of time thereto, with respect to which the excess
10 payment was made, or, if the taxpayer filed an amended return or otherwise
11 requested a refund, 45 days after the date such amended return or request was
12 filed. Provided, however, no such credit or refund shall be allowed after three
13 years from the date the return was due.

14 (b) An operator must prove the following to be eligible for a refund under
15 this section:

16 (1) that the tax was erroneously or illegally collected or computed; and

17 (2) that any erroneously or illegally collected or computed tax is or will
18 be returned to the purchaser, unless the operator made the overpayment.

19 (c) A purchaser may seek a refund from the Department if the purchaser
20 establishes that the tax was erroneously or illegally collected or computed.

21 The Commissioner shall refund a purchaser in the same manner as under

1 subsection (a) of this section.

2 Sec. 6. 24 V.S.A. § 138(c) is amended to read:

3 (c)(1) Any tax imposed under the authority of this section shall be collected
4 and administered by the Department of Taxes, in accordance with State law
5 governing such State tax or taxes and subdivision (2) of this subsection;
6 provided, however, that a sales tax imposed under this section shall be
7 collected on each sale that is subject to the Vermont sales tax using a
8 destination basis for taxation. Except with respect to taxes collected on the
9 sale of aviation jet fuel, a per-return fee of \$5.96 shall be assessed to
10 compensate the Department for the costs of administration and collection,
11 70 percent of which shall be borne by the municipality, and 30 percent of
12 which shall be borne by the State to be paid from the PILOT Special Fund.
13 The fee shall be subject to the provisions of 32 V.S.A. § 605.

14 (2) Notwithstanding any other law or municipal charter to the contrary,
15 if the Commissioner determines that local option tax was collected on a
16 transaction in a municipality not authorized to impose local option tax under
17 this section, the Commissioner shall either refund the erroneously collected tax
18 pursuant to 32 V.S.A. chapter 233 or 225 or, if the purchaser cannot reasonably
19 be determined, deposit the erroneously collected tax as required for State sales
20 and use tax pursuant to 16 V.S.A. § 4025(a)(6) or State meals and rooms tax
21 pursuant to 10 V.S.A. § 1388(a)(4), 16 V.S.A. § 4025(a)(4), and

1 32 V.S.A. § 435(b)(7).

2 * * * Report; Department of Taxes; Tax Refund Notice to Purchasers * * *

3 Sec. 7. REPORT; DEPARTMENT OF TAXES; TAX REFUND NOTICE
4 TO PURCHASERS

5 On or before January 15, 2024, the Department of Taxes shall submit a
6 written report to the House Committees on Commerce and Economic
7 Development and on Ways and Means and the Senate Committees on
8 Economic Development, Housing and General Affairs and on Finance
9 recommending legislative action to require licensed operators, restaurants, and
10 vendors to notify purchasers of the occurrence of erroneously or illegally
11 collected sales and use tax, meals and rooms tax, alcoholic beverages tax, and
12 any associated local option tax by the license holder and the purchasers' right
13 to request a refund for overpayments. The Department's report shall include
14 recommendations for legislative action regarding the following:

15 (1) a threshold based on a dollar amount or number of transactions, or
16 both, exceeding which a licensed operator, restaurant, or vendor would be
17 required to notify purchasers of erroneous or illegal tax collection by the
18 license holder and the purchasers' right to request a refund from the license
19 holder or the Department;

20 (2) options for the types, forms, and duration of time of the required
21 notices;

1 (3) the role of the Department in identifying erroneous or illegal tax
2 collection, alerting license holders of their notice requirements, and providing
3 oversight of license holders' compliance with the required notices; and

4 (4) any other relevant considerations, including the tax information
5 confidentiality requirements under 32 V.S.A. § 3102.

6 * * * Sales Tax Exemption; Advanced Wood Boilers * * *

7 Sec. 8. 2018 Acts and Resolves No. 194, Sec. 26b(a), as amended by 2019
8 Acts and Resolves No. 83, Sec. 14, is further amended to read:

9 (a) 32 V.S.A. § ~~§§~~ 9741(52) (sales tax exemption for advanced wood
10 boilers) and 9706(11) (statutory purpose; sales tax exemption for advanced
11 wood boilers) shall be repealed on July 1, ~~2023~~ 2024.

12 * * * Computer Assisted Property Tax Administration Program Fees * * *

13 Sec. 9. 32 V.S.A. § 3404 is amended to read:

14 § 3404. ~~CAPTAP FEES~~

15 ~~(a) The Director is authorized to charge fees for data processing and~~
16 ~~support services rendered to municipalities relative to the Computer Assisted~~
17 ~~Property Tax Administration Program (CAPTAP) as follows:~~

18 ~~(1) when the Department performs routine data processing for a~~
19 ~~municipality, \$1.75 per parcel;~~

20 ~~(2) when the Department performs data processing services in~~
21 ~~connection with a town reappraisal, \$2.00 per parcel; and~~

1 ~~(3) when the Department performs support, training, or consulting~~
2 ~~services for municipalities using CAPTAP at their own sites: \$350.00 per year~~
3 ~~for municipalities with fewer than 500 parcels; \$450.00 per year for~~
4 ~~municipalities with 500 to 1,000 parcels; \$550.00 per year for municipalities~~
5 ~~with 1,001 to 2,000 parcels; and \$650.00 per year for municipalities with more~~
6 ~~than 2,000 parcels.~~

7 ~~(b) Pursuant to subdivision 603(2) of this title, these fees may be adjusted.~~

8 ~~(c) The fees collected in subsection (a) of this section shall be credited to~~
9 ~~the CAPTAP fees special fund established and managed pursuant to chapter 7,~~
10 ~~subchapter 5 of this title, and shall be available to offset the costs of providing~~
11 ~~those services. [Repealed.]~~

12 Sec. 10. 32 V.S.A. § 3410 is amended to read:

13 § 3410. ~~MAINTENANCE OF DUPLICATE PROPERTY RECORDS~~

14 ~~(a) To supplement and ensure the safekeeping of town records, the Director~~
15 ~~shall establish and maintain a central file of municipal grand lists. These grand~~
16 ~~lists shall be maintained at the office of the Division for a period of two years.~~

17 ~~(b) The town clerks of each town and city shall provide the Director with~~
18 ~~one copy of the grand list at a reasonable charge.~~

19 ~~(c) At a reasonable charge to be established by the Director, the Director~~
20 ~~shall supply to any person or agency a copy of any document contained in the~~
21 ~~file established under this section. [Repealed.]~~

1 (f) Each year the Director shall determine whether previously classified
2 property is still eligible for use value appraisal and whether the amount of the
3 previous appraisal is still valid. If the Director determines that previously
4 classified property is no longer eligible, or that the property has undergone a
5 change in use such that the use change tax may be levied in accordance with
6 section 3757 of this chapter, or that the use value appraisal should be fixed at a
7 different amount than the previous year, ~~he or she~~ the Director shall thereafter
8 notify the property owner of that determination ~~by delivery of the notification~~
9 ~~to him or her in person or by mailing such notification to his or her last and~~
10 ~~usual place of abode.~~

11 * * *

12 (h) ~~By~~ On or before March 15, the Director shall ~~mail~~ provide to each
13 municipality a list of property in the municipality that is to be taxed based on
14 its use value appraisal. The list shall include the owners' names, a grand list
15 number or description of each parcel of land to be appraised at use value, the
16 acreage to be taxed on the basis of use value, the use values to be used for land,
17 and the number and type of farm buildings to be appraised by the assessing
18 officials at use value. The assessing officials shall determine the listed value
19 of the land to be taxed at use value and its estimated fair market value, and fill
20 in these values and the difference between them on the form. This form shall
21 be used by the Treasurer or the collector of current taxes to make up tax bills

1 such that the owner is billed only for taxes due on ~~his or her~~ the owner's
2 property not enrolled in the program, plus taxes due on the use value of
3 property enrolled in the program. The assessing officials shall submit the
4 completed form to the Director ~~by~~ on or before July 5.

5 * * *

6 (2)(A) The Director shall remove from use value appraisal an entire
7 parcel or parcels of agricultural land and farm buildings identified by the
8 Secretary of Agriculture, Food and Markets as being used by a person:

9 * * *

10 (B) The Director shall notify the owner that agricultural land or a
11 farm building has been removed from use value appraisal by ~~mailing~~ providing
12 notification of removal to the owner ~~or operator's last and usual place of~~
13 ~~abode~~. After removal of agricultural land or a farm building from use value
14 appraisal under this section, the Director shall not consider a new application
15 for use value appraisal for the agricultural land or farm building until the
16 Secretary of Agriculture, Food and Markets submits to the Director a
17 certification that the owner or operator of the agricultural land or farm building
18 is complying with the water quality requirements of 6 V.S.A. chapter 215 or an
19 order issued under 6 V.S.A. chapter 215. After submission of a certification by
20 the Secretary of Agriculture, Food and Markets, an owner or operator shall be
21 eligible to apply for enrollment of the agricultural land or farm building

1 according to the requirements of this section.

2 * * *

3 Sec. 12. 32 V.S.A. § 3757(m) is added to read:

4 (m) Land owned or acquired by a Native American tribe or a nonprofit
5 organization that qualifies for an exemption under subdivision 3802(21) of this
6 title shall be exempt from the levy of a land use change tax under this section.

7 * * * Property Transfer Tax; Controlling Interests; Nonprofits * * *

8 Sec. 13. 32 V.S.A. § 9603 is amended to read:

9 § 9603. EXEMPTIONS

10 The following transfers are exempt from the tax imposed by this chapter:

11 * * *

12 (14)(A) Transfers to organizations qualifying under 26 U.S.C.
13 § 501(c)(3), as amended, and that prior to the transfer have been determined to
14 meet the “public support” test of 26 U.S.C. § 509(a)(2), as amended, provided
15 one of the stated purposes of the organization is to acquire property or rights
16 and less than fee interest in property in order to preserve farmland or open-
17 space land, and provided that the property transferred, or rights and interests in
18 the property, will be held by the organization for this purpose. As used in this
19 section, “farmland” means real estate that will be actively operated or leased as
20 part of a farm enterprise, including dwellings and agricultural structures, and
21 “open-space land” ~~shall mean~~ means land without structures thereon.

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* * *

(C)(i) Transfers from one organization qualifying under 26 U.S.C. § 501(c)(3), as amended, to another organization qualifying under 26 U.S.C. § 501(c)(3), provided the organizations are related organizations and the Commissioner does not determine that a major purpose of the transaction is to avoid the tax imposed under this chapter. As used in this subdivision (C), “related organizations” means one organization holds 50 percent or more of the membership interest of the other organization or one organization appoints or elects, including the power to remove and replace, 50 percent or more of the members of the other organization’s governing body.

(ii)(I) Notwithstanding subdivision (i) of this subdivision (C), a transferee organization that receives property in a transfer exempt under subdivision (i) of this subdivision (C) shall pay the tax imposed under this chapter on the value of the property transferred if:

(aa) not more than three years after the date of the first transfer, the transferee subsequently transfers any portion of the property;

(bb) the second transfer is not exempt under subdivision (i) of this subdivision (C) as a transfer between related organizations; and

(cc) the Commissioner determines that a major purpose of the transaction is to avoid the tax imposed under this chapter.

(II) The tax imposed under this subdivision (C)(ii) on the value

1 of the property transferred at the time of the first transfer shall be due not later
2 than 30 days after the second transfer and shall apply in addition to any tax due
3 under this chapter from the subsequent transferee on the second transfer.

4 * * *

5 * * * Personal Income Tax Credits * * *

6 Sec. 14. 32 V.S.A. § 5828c is amended to read:

7 § 5828c. CHILD AND DEPENDENT CARE CREDIT

8 A resident or part-year resident of this State shall be eligible for a
9 refundable credit against the tax imposed under section 5822 of this title. The
10 credit shall be equal to 72 percent of the federal child and dependent care
11 credit allowed to the taxpayer for the taxable year for child or dependent care
12 services ~~provided in this State.~~ The amount of the credit for a part-year
13 resident shall be multiplied by the percentage that the individual's income that
14 is earned or received during the period of the individual's residency in this
15 State bears to the individual's total income.

16 Sec. 15. 32 V.S.A. § 5828b(a) is amended to read:

17 (a) A resident individual or part-year resident individual who is entitled to
18 an earned income tax credit granted under the laws of the United States or who
19 would have been entitled to an earned income tax credit under the laws of the
20 United States but for the fact that the individual, the individual's spouse, or one
21 or more of the individual's children does not have a qualifying taxpayer

1 identification number shall be entitled to a credit against the tax imposed for
2 each year by section 5822 of this title. The credit shall be 38 percent of the
3 earned income tax credit granted to the individual under the laws of the United
4 States or that would have been granted to the individual under the laws of the
5 United States but for the fact that the individual, the individual's spouse, or one
6 or more of the individual's children does not have a qualifying taxpayer
7 identification number, multiplied by the percentage that the individual's ~~earned~~
8 income that is earned or received during the period of the individual's
9 residency in this State bears to the individual's total ~~earned~~ income.

10 Sec. 16. 32 V.S.A. § 5830f(a) is amended to read:

11 (a) A resident individual or part-year resident individual who is entitled to a
12 child tax credit under the laws of the United States or who would have been
13 entitled to a child tax credit under the laws of the United States but for the fact
14 that the individual or the individual's spouse does not have a taxpayer
15 identification number shall be entitled to a refundable credit against the tax
16 imposed by section 5822 of this title for the taxable year. The total credit per
17 taxable year shall be in the amount of \$1,000.00 per qualifying child, as
18 defined under 26 U.S.C. § 152(c) but notwithstanding the taxpayer
19 identification number requirements under 26 U.S.C. § 24(e) and (h)(7), who is
20 five years of age or younger as of the close of the calendar year in which the
21 taxable year of the taxpayer begins. For a part-year resident individual, the

1 amount of the credit shall be multiplied by the percentage that the individual's
2 income that is earned or received during the period of the individual's
3 residency in this State bears to the individual's total income.

4 Sec. 17. 32 V.S.A. § 5830 is added to read:

5 § 5830. TAXPAYER IDENTIFICATION NUMBERS; CREDITS

6 (a) The Commissioner shall provide a process for an individual to claim the
7 child tax credit or the earned income tax credit, or both, pursuant to
8 subsections 5828b(a) and 5830f(a) of this title when the individual, the
9 individual's spouse, or one or more of the individual's qualifying children does
10 not have a taxpayer identification number. The Commissioner shall not
11 inquire about or record the citizenship and immigration status of an individual,
12 an individual's spouse, or one or more of an individual's qualifying children
13 when an individual claims one or more credits pursuant to this section and
14 subsections 5828b(a) and 5830f(a) of this title.

15 (b) Upon the Commissioner's request, an individual who claims one or
16 more credits pursuant to subsections 5828b(a) and 5830f(a) of this title shall
17 provide valid documents establishing the identity and income for the taxable
18 year of the individual and, as applicable, the individual's spouse and qualifying
19 children. Upon receiving a valid Social Security number issued by the Social
20 Security Administration, the individual shall notify the Commissioner in the
21 time and manner prescribed by the Commissioner.

1 (c) All claims submitted and records created pursuant to this section and
2 subsections 5828b(a) and 5830f(a) of this title shall be exempt from public
3 inspection and copying under the Public Records Act 1 V.S.A. § 317(c)(6) and
4 shall be kept confidential as return or return information pursuant to section
5 3102 of this title.

6 Sec. 18. 32 V.S.A. § 5830f(d) is added to read:

7 (d)(1) The Commissioner shall establish a program to make advance
8 quarterly payments of the credit under this section during the calendar year
9 that, in the aggregate, equal 50 percent of the annual amount of the credit
10 allowed to each individual for the taxable year. The quarterly payments made
11 to an individual during the calendar year shall be in equal amounts, except that
12 the Commissioner may modify the quarterly amount upon receipt of any
13 information furnished by the individual that allows the Commissioner to
14 determine the annual amount. The remaining 50 percent of the annual amount
15 of the credit allowed to each individual shall be determined at the time of filing
16 a Vermont personal income tax return for the taxable year pursuant to section
17 5861 of this title.

18 (2) The Commissioner shall provide a process by which individuals may
19 elect not to receive advance payments under this subsection.

1 * * * Pass-throughs; Composite Payment Rate for Nonresidents * * *

2 Sec. 19. 32 V.S.A. § 5914(b) is amended to read:

3 (b) The Commissioner may upon request and for ease of administration
4 permit S corporations to file composite returns and to make composite
5 payments of tax on behalf of some or all of its nonresident shareholders. In
6 addition, the Commissioner may require an S corporation that has in excess of
7 50 nonresident shareholders to file composite returns and to make composite
8 payments at the ~~middle~~ second-highest marginal rate on behalf of all of its
9 nonresident shareholders.

10 Sec. 20. 32 V.S.A. § 5920(b) is amended to read:

11 (b) The Commissioner may permit a partnership or limited liability
12 company to file composite returns and to make composite payments of tax on
13 behalf of some or all of its nonresident partners or members. In addition, the
14 Commissioner may require a partnership or limited liability company that has
15 in excess of 50 nonresident partners or members to file composite returns and
16 to make composite payments at the ~~middle~~ second-highest marginal rate on
17 behalf of all of its nonresident partners or members.

18 * * * Property Tax Valuation; Qualified Rental Units; VHFA Certificate * * *

19 Sec. 21. 32 V.S.A. § 5404a(a) is amended to read:

20 (a) A tax agreement or exemption shall affect the education property tax
21 grand list of the municipality in which the property subject to the agreement is

1 located if the agreement or exemption is:

2 * * *

3 (6) An exemption of a portion of the value of a qualified rental unit
4 parcel. An owner of a qualified rental unit parcel shall be entitled to an
5 exemption on the education property tax grand list of 10 percent of the grand
6 list value of the parcel, multiplied by the ratio of square footage of
7 improvements used for or related to residential rental purposes to total square
8 footage of all improvements, multiplied by the ratio of qualified rental units to
9 total residential rental units on the parcel. "Qualified rental units" means
10 residential rental units that are subject to rent restriction under provisions of
11 State or federal law, but excluding units subject to rent restrictions under only
12 one of the following programs: Section 8 moderate rehabilitation, Section 8
13 housing choice vouchers, or Section 236 or Section 515 rural development
14 rental housing. A municipality shall allow the percentage exemption under
15 this subsection upon presentation by the taxpayer to the municipality, by April
16 1, of a certificate of education grand list value exemption obtained from the
17 Vermont Housing Finance Agency (VHFA). VHFA shall issue a certificate of
18 exemption upon presentation by the taxpayer of information that VHFA and
19 the Commissioner shall require. A certificate of exemption issued by VHFA
20 under this subsection shall expire upon transfer of the building, upon
21 expiration of the rent restriction, or after 10 years, whichever first occurs.—The;

1 provided, however, that the certificate of exemption may be renewed ~~one~~ after
2 10 years and every 10 years thereafter if VHFA finds that the property
3 continues to meet the requirements of this subsection.

4 * * * Property Tax Credit; Filing Deadlines * * *

5 Sec. 22. 32 V.S.A. § 6068 is amended to read:

6 § 6068. APPLICATION AND TIME FOR FILING

7 (a) A property tax credit claim or request for allocation of an income tax
8 refund to homestead property tax payment shall be filed with the
9 Commissioner on or before the due date for filing the Vermont income tax
10 return, without extension, and shall describe the school district in which the
11 homestead property is located and shall particularly describe the homestead
12 property for which the credit or allocation is sought, including the school
13 parcel account number prescribed in subsection 5404(b) of this title. A renter
14 credit claim shall be filed with the Commissioner on or before the due date for
15 filing the Vermont income tax return, without extension.

16 (b) If the claimant fails to file a timely claim, the amount of the property
17 tax credit under this chapter shall be reduced by \$15.00, but not below \$0.00,
18 which shall be paid to the municipality for the cost of issuing an adjusted
19 homestead property tax bill. ~~No benefit shall be allowed in the calendar year~~
20 ~~unless the claim is filed with the Commissioner on or before October 15.~~ If the
21 claimant files a claim after October 15 but on or before March 15 of the

1 following calendar year, the property tax credit under this chapter:

2 (1) shall be reduced in amount by \$150.00, but not below \$0.00;

3 (2) shall be issued directly to the claimant; and

4 (3) shall not require the municipality where the claimant's property is
5 located to issue an adjusted homestead property tax bill.

6 (c) No request for allocation of an income tax refund or for a renter credit
7 claim may be made after October 15. No property tax credit claim may be
8 made after March 15 of the calendar year following the due date under
9 subsection (a) of this section.

10 * * * Vermont Bond Bank * * *

11 Sec. 23. 24 V.S.A. chapter 119 is redesignated to read:

12 CHAPTER 119. ~~MUNICIPAL~~ VERMONT BOND BANK

13 Sec. 24. 24 V.S.A. § 4551 is amended to read:

14 § 4551. DEFINITIONS

15 ~~The following definitions shall apply throughout~~ As used in this chapter
16 ~~unless the context clearly requires otherwise:~~

17 (1) "Bank" means the Vermont ~~Municipal~~ Bond Bank established by
18 section 4571 of this title.

19 * * *

20 (7) "Municipal bond" means a bond or note or evidence of debt or
21 financing arrangement of a governmental unit, including a bond, note, or

1 evidence of debt, constituting a general obligation of a governmental unit, but
2 does not include any bond or note or evidence of debt issued by any other state
3 or any public body or municipal corporation thereof.

4 * * *

5 (10) “Public body” means any public body corporate and politic or any
6 political subdivision of the State established under any law of the State ~~that~~
7 ~~may issue its bonds or notes, whether heretofore or hereafter established.~~

8 (11) “Reserve Fund” means the Vermont ~~Municipal~~ Bond Bank Reserve
9 fund established under section 4671 of this title.

10 * * *

11 (13) “Revenue bond” means a bond or note or evidence of debt
12 constituting an obligation or financing arrangement of a governmental unit
13 authorized under laws of the State and payable solely out of the earnings or
14 ~~profits derived, or to be derived, from the operation of a public utility,~~
15 ~~authorized and issued in accordance with subchapter 2 of chapter 53 of this~~
16 ~~title~~ from revenues derived from the financed asset, enterprise funds, or other
17 specified revenues and the earnings thereon.

18 (14) “Revenue Bond Reserve Fund” means the Vermont ~~Municipal~~
19 Bond Bank Revenue Bond Reserve Fund established under section 4681 of
20 this title.

21 (15) “Revenue Fund” means the Vermont ~~Municipal~~ Bond Bank

1 Revenue Fund established under section 4683 of this title.

2 Sec. 25. 24 V.S.A. § 4571 is amended to read:

3 § 4571. ESTABLISHMENT

4 There is hereby established a body corporate and politic, with corporate
5 succession, to be known as the “Vermont ~~Municipal~~ Bond Bank.” The Bank is
6 hereby constituted as an instrumentality exercising public and essential
7 governmental functions, and the exercise by the Bank of the powers conferred
8 by this chapter are deemed to be an essential governmental function of the
9 State.

10 Sec. 26. 24 V.S.A. § 4571a is amended to read:

11 § 4571a. REPORTS

12 The Vermont ~~Municipal~~ Bond Bank shall prepare and submit, consistent
13 with 2 V.S.A. § 20(a), a report on activities for the preceding calendar year,
14 pursuant to section 4594 of this title.

15 Sec. 27. 24 V.S.A. § 4592 is amended to read:

16 § 4592. SUPPLEMENTARY POWERS

17 The Bank, in addition to any other powers granted in this chapter, has the
18 following powers:

19 * * *

20 (3) To establish any terms and provisions with respect to any loan to
21 governmental units through the purchase of municipal bonds or revenue bonds

1 by the Bank, including date and maturities of the bonds, provisions as to
2 redemption or payment prior to maturity, and any other matters ~~which~~ that are
3 necessary, desirable, or advisable in the judgment of the Bank.

4 * * *

5 (10) To issue bonds, other forms of indebtedness, or other financing
6 obligations or arrangements for projects relating to renewable energy, as
7 ~~defined in 30 V.S.A. § 8002(17), or to~~ energy efficiency, climate adaptation,
8 and projects under subchapter 2 of chapter 87 of this title. ~~Bonds shall be~~
9 ~~supported by both the general obligation and the assessment payment revenues~~
10 ~~of the participating municipality~~ that otherwise result in the reduction of
11 greenhouse gas emissions.

12 Sec. 28. 24 V.S.A. § 4652 is amended to read:

13 § 4652. WAIVER OF DEFENSES; RIGHTS OF HOLDER

14 On the sale and issuance of any municipal bonds or revenue bonds to the
15 Bank by any governmental unit, that governmental unit is deemed to agree that
16 on the failure of that governmental unit to pay interest or principal on any of
17 the municipal bonds or revenue bonds owned or held by the Bank when
18 payable, all defenses to nonpayment are waived; and further, with respect to
19 municipal bonds that constitute general obligation bonds supported by the full
20 faith and credit of the municipality, upon nonpayment and demand on that
21 governmental unit for payment, if funds are not available in its treasury to

1 make payment, the governing body of that governmental unit shall forthwith
2 assess a tax on the grand list of the governmental unit, sufficient to make
3 payment with 12 percent interest thereon, and cause the tax to be collected
4 within 60 days; and further, with respect to municipal bonds that do not
5 constitute general obligation bonds supported by the full faith and credit of the
6 municipality and revenue bonds, upon nonpayment and demand on that
7 governmental unit for payment, such governmental unit shall make payment
8 together with interest thereon of 12 percent, which shall be due and payable
9 within 60 days; and further, notwithstanding any other law, including any law
10 under which the municipal bonds or revenue bonds were issued by that
11 governmental unit, the Bank upon nonpayment is constituted a holder or owner
12 of the municipal bonds or revenue bonds as being in default. Also,
13 notwithstanding any other law as to time or duration of default or percentage of
14 holders or owners of bonds entitled to exercise rights of holders or owners of
15 bonds in default, or to invoke any remedies or powers thereof or of any trustee
16 in connection therewith or of any board, body, agency, or commission of the
17 State having jurisdiction in the matter or circumstance, the Bank may
18 thereupon avail itself of all other remedies, rights, and provisions of law
19 applicable in that circumstance, and the failure to exercise or exert any rights
20 or remedies within any time or period provided by law may not be raised as a
21 defense by the governmental unit. All of the bonds of the issue of municipal

1 bonds or revenue bonds of a governmental unit on which there is nonpayment,
2 are for all of the purposes of this section deemed to be due and payable and
3 unpaid. The Bank may carry out the provisions of this section and exercise all
4 of the rights and remedies and provisions of law provided or referred to in this
5 section.

6 Sec. 29. 24 V.S.A. § 4676 is amended to read:

7 § 4676. GENERAL FUND

8 * * *

9 (b) Any monies in the General Fund may, subject to any contracts between
10 the Bank and its bondholders or noteholders, be transferred to the Reserve
11 Fund established pursuant to section 4671 of this title, or if not so transferred,
12 shall be used for the payment of the principal of or interest on bonds or notes
13 of the Bank presently outstanding and any bonds or notes on a parity therewith,
14 and any bonds or notes issued to refund such bonds or notes, all when they
15 become due and payable, whether at maturity or upon redemption including
16 payment of any premium upon redemption prior to maturity, and any monies in
17 the General Fund may be used ~~for the purchase of municipal bonds to make~~
18 loans to governmental units under this chapter and for all other purposes of the
19 Bank including payment of its operating expenses.

1 Sec. 30. 24 V.S.A. § 4683 is amended to read:

2 § 4683. REVENUE FUND

3 (a) The Bank shall establish and maintain a fund called the “Revenue
4 Fund” in which there shall be deposited:

5 * * *

6 (3) monies received by the Bank as payments of principal of or interest
7 on municipal bonds or revenue bonds purchased by the Bank, or received as
8 proceeds of sale of any municipal bonds or revenue bonds or investment
9 obligations of the Bank, or otherwise in repayment of loans made by the Bank,
10 or received as proceeds of sale of bonds or notes of the Bank, and required
11 under the terms of any resolution of the Bank or contract with the holders of its
12 bonds or notes to be deposited therein;

13 * * *

14 (b) Any monies in the Revenue Fund may, subject to any contracts between
15 the Bank and its bondholders or noteholders, be transferred to the Revenue
16 Bond Reserve Fund, or if not so transferred, shall be used for the payment of
17 the principal of or interest on bonds or notes of the Bank as provided by
18 resolution of the Bank when they become due and payable, whether at maturity
19 or upon redemption including payment of any premium upon redemption prior
20 to maturity, and any monies in the Revenue Fund may be used ~~for the purchase~~
21 ~~of municipal bonds and revenue bonds~~ for making loans to governmental units

1 under this chapter and for all other purposes of the Bank including payment of
2 its operating expenses.

3 Sec. 31. 24 V.S.A. § 4703 is amended to read:

4 § 4703. POWERS OF TRUSTEE ON DEFAULT

5 A trustee appointed under section 4702 of this title may, and shall in ~~his or~~
6 ~~her or its~~ the trustee's name, upon written request of the holders of 25 per
7 centum in principal amount of the outstanding notes or bonds:

8 (1) By suit, action, or proceeding, enforce all rights of the noteholders or
9 bondholders, including the right to require the Bank to collect rates, charges,
10 and other fees and to collect interest and amortization payments on loans made
11 to governmental units and on municipal bonds, revenue bonds, and notes held
12 by it adequate to carry out any agreement as to, or pledge of, the rates, charges,
13 and other fees and of the interest and amortization payments, and to require the
14 Bank to carry out any other agreements with the holders of the notes or bonds
15 and to perform its duties under this chapter;

16 * * *

17 * * * Study of Financing Public Infrastructure Improvements * * *

18 Sec. 32. FINANCING PUBLIC INFRASTRUCTURE IMPROVEMENTS;

19 JOINT FISCAL OFFICE; REPORT

20 (a) On or before January 15, 2024, the Joint Fiscal Office shall submit a
21 report to the House Committee on Ways and Means and the Senate Committee

1 on Finance on financing public infrastructure improvements in Vermont
2 municipalities. The report shall include the following:

3 (1) a review of public infrastructure financing programs in other states
4 and municipalities that may be implemented in Vermont;

5 (2) recommendations for aligning State and federal assistance for public
6 infrastructure; and

7 (3) recommendations for harmonizing or expanding existing
8 infrastructure improvement programs and distribution of funding.

9 (b) The Joint Fiscal Office is authorized to submit the report described in
10 subsection (a) of this section in the form of an issue brief or hire a consultant to
11 perform the research and draft the report. If a consultant is hired, then the Joint
12 Fiscal Office may use an amount not to exceed \$50,000.00 for any associated
13 costs from legislative funds.

14 * * * Tax Increment Financing * * *

15 Sec. 33. 24 V.S.A. § 1891 is amended to read:

16 § 1891. DEFINITIONS

17 ~~When~~ As used in this subchapter:

18 * * *

19 (4) “Improvements” means the installation, new construction, or
20 reconstruction of infrastructure that will serve a public purpose and fulfill the
21 purpose of tax increment financing districts as stated in section 1893 of this

1 subchapter, including utilities, transportation, public facilities and amenities,
2 land and property acquisition and demolition, and site preparation.

3 “Improvements” also means the funding of debt service interest payments for a
4 period of up to two years, beginning on the date on which the first debt is
5 incurred.

6 * * *

7 (7) “Financing” means debt incurred, including principal, interest, and
8 any fees or charges directly related to that debt, or other instruments or
9 borrowing used by a municipality to pay for improvements in a tax increment
10 financing district, only if authorized by the legal voters of the municipality in
11 accordance with section 1894 of this subchapter. Payment for the cost of
12 district improvements may also include direct payment by the municipality
13 using the district increment. However, such payment is also subject to a vote
14 by the legal voters of the municipality in accordance with section 1894 of this
15 subchapter and, if not included in the tax increment financing plan approved
16 under subsection 1894(d) of this subchapter, is also considered a substantial
17 change and subject to the review process provided by subdivision 1901(2)(B)
18 of this subchapter. If interfund loans within the municipality are used as the
19 method of financing, no interest shall be charged. Bond anticipation notes may
20 be used as a method of financing; provided, however, that bond anticipation
21 notes shall not be considered a first incurrence of debt pursuant to subsection

1 1894(a) of this subchapter.

2 * * *

3 Sec. 34. 24 V.S.A. § 1895 is amended to read:

4 § 1895. ORIGINAL TAXABLE VALUE

5 (a) Certification. As of the date the district is created, the lister or assessor
6 for the municipality shall certify the original taxable value and shall certify to
7 the legislative body in each year thereafter during the life of the district the
8 amount by which the total valuation as determined in accordance with
9 32 V.S.A. chapter 129 of all taxable real property located within the tax
10 increment financing district has increased or decreased relative to the original
11 taxable value.

12 (b) Boundary of the district. No adjustments to the physical boundary lines
13 of a district shall be made after the approval of a tax increment financing
14 district plan.

15 Sec. 35. 24 V.S.A. § 1896 is amended to read:

16 § 1896. TAX INCREMENTS

17 (a) In each year following the creation of the district, the listers or assessor
18 shall include ~~no~~ not more than the original taxable value of the real property in
19 the assessed valuation upon which the treasurer computes the rates of all taxes
20 levied by the municipality and every other taxing district in which the tax
21 increment financing district is situated; but the treasurer shall extend all rates

1 so determined against the entire assessed valuation of real property for that
2 year. In each year ~~for which the assessed valuation exceeds the original~~
3 ~~taxable value~~, the municipality shall hold apart, rather than remit to the taxing
4 districts, that proportion of all taxes paid that year on the real property in the
5 district ~~which~~ that the excess valuation bears to the total assessed valuation.
6 The amount held apart each year is the “tax increment” for that year. ~~No~~ Not
7 more than the percentages established pursuant to section 1894 of this
8 subchapter of the municipal and State education tax increments received with
9 respect to the district and committed for the payment for financing for
10 improvements and related costs shall be segregated by the municipality in a
11 special tax increment financing account and in its official books and records
12 until all capital indebtedness of the district has been fully paid. The final
13 payment shall be reported to the treasurer, who shall thereafter include the
14 entire assessed valuation of the district in the assessed valuations upon which
15 municipal and other tax rates are computed and extended and thereafter no
16 taxes from the district shall be deposited in the district’s tax increment
17 financing account.

18 * * *

19 (e) In each year, a municipality shall remit not less than the aggregate tax
20 due on the original taxable value to the Education Fund.

1 Sec. 36. 32 V.S.A. § 5404a is amended to read:

2 § 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT
3 FINANCING DISTRICTS

4 (a) A tax agreement or exemption shall affect the education property tax
5 grand list of the municipality in which the property subject to the agreement is
6 located if the agreement or exemption is:

7 * * *

8 (b)(1) An agreement affecting the education property tax grand list defined
9 under subsection (a) of this section shall reduce the municipality's education
10 property tax liability under this chapter for the duration of the agreement or
11 exemption without extension or renewal, and for a maximum of 10 years. A
12 municipality's property tax liability under this chapter shall be reduced by any
13 difference between the amount of the education property taxes collected on the
14 subject property and the amount of education property taxes that would have
15 been collected on such property if its fair market value were taxed at the
16 equalized nonhomestead rate for the tax year.

17 (2) Notwithstanding any other provision of law, if a municipality has
18 entered into an agreement that reduces the municipality's education property
19 tax liability under this chapter and the municipality establishes a tax increment
20 financing district under 24 V.S.A. chapter 53, subchapter 5, the municipality's
21 municipal and education tax increment shall be calculated based on the

1 assessed value of the properties in the municipality's grand list and not on the
2 stabilized value.

3 * * *

4 (f) A municipality that establishes a tax increment financing district under
5 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties
6 contained within the district and apply not more than 70 percent of the State
7 education property tax increment, and not less than 85 percent of the municipal
8 property tax increment, to repayment of financing of the improvements and
9 related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by
10 the Vermont Economic Progress Council pursuant to this section, subject to the
11 following:

12 * * *

13 ~~(C) If, while the General Assembly is not in session, the Council~~
14 ~~receives applications for districts that would otherwise qualify for approval~~
15 ~~but, if approved, would exceed the six-district limit in the State, the Council~~
16 ~~shall make one or more presentations to the Emergency Board concerning the~~
17 ~~applications, and the Emergency Board may, in its discretion, increase the six-~~
18 ~~district limit.~~

19 * * *

1 * * * Vermont Economic Growth Incentive; Sunset * * *

2 Sec. 39. 2016 Acts and Resolves No. 157, Sec. H.12, as amended by 2022

3 Acts and Resolves No. 164, Sec. 5, is further amended to read:

4 Sec. H.12. VEGI; REPEAL OF AUTHORITY TO AWARD

5 INCENTIVES

6 Notwithstanding any provision of law to the contrary, the Vermont
7 Economic Progress Council shall not accept or approve an application for a
8 Vermont Employment Growth Incentive under 32 V.S.A. chapter 105,
9 subchapter 2 on or after January 1, ~~2024~~ 2025.

10 * * * Workers' Compensation * * *

11 Sec. 40. WORKERS' COMPENSATION RATE OF CONTRIBUTION

12 For fiscal year 2024, after consideration of the formula in 21 V.S.A.
13 § 711(b) and historical rate trends, the General Assembly determines that the
14 rate of contribution for the direct calendar year premium for workers'
15 compensation insurance shall be 1.5 percent. The contribution rate for self-
16 insured workers' compensation losses and workers' compensation losses of
17 corporations approved under 21 V.S.A. chapter 9 shall remain at one percent.

18 Sec. 41. 21 V.S.A. § 711 is amended to read:

19 § 711. WORKERS' COMPENSATION ADMINISTRATION FUND

20 * * *

21 (b)(1) Annually, the General Assembly shall establish the rate of

1 contribution for the direct calendar year premium for workers' compensation
2 insurance. The rate shall equal the amount approved in the appropriations
3 process for the program and the Department's projection of salary and benefit
4 increases for that fiscal year, less the amount collected in the prior calendar
5 year under subsection (a) of this section from self-insured workers'
6 compensation losses and from corporations approved under this chapter,
7 adjusted by any balance in the fund from the prior fiscal year, divided by the
8 total direct calendar year premium for workers' compensation insurance for the
9 prior year.

10 (2) In the event that the General Assembly does not establish the rate of
11 contribution for the direct calendar year premium for workers' compensation
12 insurance for a given fiscal year, the rate shall remain unchanged from the
13 prior fiscal year.

14 Sec. 42. 2014 Acts and Resolves No. 199, Sec. 54b is amended to read:

15 Sec. 54b. 21 V.S.A. § 643a is added to read:

16 § 643a. DISCONTINUANCE OF BENEFITS

17 Unless an injured worker has successfully returned to work, an employer
18 shall notify both the Commissioner and the employee prior to terminating
19 benefits under either section 642 or 646 of this title. The notice of intention to
20 discontinue payments shall be filed on forms prescribed by the Commissioner
21 and shall include the date of the proposed discontinuance, the reasons for it,

1 and, if the employee has been out of work for 90 days, a verification that the
2 employer offered vocational rehabilitation screening and services as required
3 under this chapter. All relevant evidence, including evidence that does not
4 support discontinuance in the possession of the employer not already filed,
5 shall be filed with the notice. The liability for the payments shall continue for
6 seven days after the notice is received by the Commissioner and the employee.
7 If the claimant disputes the discontinuance, the claimant may file with
8 the Commissioner an objection to the discontinuance and seek an extension
9 of 14 days. The objection to the discontinuance shall be specific as to the
10 reasons and include supporting evidence. A copy of the objection shall be
11 provided to the employer at the time the request is made to the Commissioner.
12 ~~These~~ The payments shall be made without prejudice to the employer and may
13 be deducted from any amounts due pursuant to section 648 of this title if the
14 Commissioner determines that the discontinuance is warranted or if otherwise
15 ordered by the Commissioner. Every notice shall be reviewed by the
16 Commissioner to determine the sufficiency of the basis for the proposed
17 discontinuance. If, after review of all the evidence in the file, the
18 Commissioner finds that a preponderance of all the evidence in the file does
19 not reasonably support the proposed discontinuance, the Commissioner shall
20 order that payments continue until a hearing is held and a decision is rendered.
21 Prior to a formal hearing, an injured worker may request reinstatement of

1 benefits by providing additional new evidence to the Department that
2 establishes that a preponderance of all evidence now supports the claim. If the
3 Commissioner's decision, after a hearing, is that the employee was not entitled
4 to any or all benefits paid between the discontinuance and the final decision,
5 upon request of the employer, the Commissioner may order that the employee
6 repay all benefits to which the employee was not entitled. The employer may
7 enforce a repayment order in any court of law having jurisdiction.

8 * * * Unemployment Insurance * * *

9 Sec. 43. 2021 Acts and Resolves No. 183, Sec. 59(b)(6) is amended to read:

10 (6) Sec. 52g (prospective repeal of unemployment insurance benefit
11 increase) shall take effect ~~upon the payment of a~~ when the cumulative total
12 amount of additional benefits paid pursuant to 21 V.S.A. § 1338(e) ~~when,~~
13 compared to the rate at which benefits would have been paid under the formula
14 set forth in 21 V.S.A. § 1338(e) on June 30, 2025 ~~equal to \$92,000,000.00,~~
15 plus the ~~difference between \$8,000,000.00 and the~~ amount of additional
16 benefits paid ~~out~~ pursuant to section 52b, ~~if any,~~ compared to the amount that
17 would have been paid pursuant to the provisions of 21 V.S.A. § 1338(f)(1) on
18 June 30, 2022, equals \$100,000,000.00 and shall apply to benefit weeks
19 beginning after that date.

1 assistance; and Supplemental Security Income, is abrogated by one or more of
2 the following federal actions:

3 (A) enactment of federal legislation;

4 (B) a decision by a controlling court from which there is no further
5 right of appeal; or

6 (C) publication of federal regulations, guidelines, memorandum, or
7 any other official action taken by the relevant federal agency with the authority
8 to alter income-based eligibility determinations for federal public assistance
9 programs.